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SAINT PAUL MINNEAPOLIS AND MANITOBA

RAILWAY COMPANY



CENTRAL TRUST COMPANY OF NEW YORK.

Consolidated Mortgage.

MINNESOTA AND DAKOTA.

\$50,000,000.

DATED MAY 1ST, A. D. 1883.

SAINT PAUL:
PIONEER PRESS COMPANY.
1883.

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STANDARD MORTGAGE

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This Indenture made the first day of May in the year of our Lord one thousand eight hundred and eighty-three, between The Saint Paul Minneapolis and Manitoba Railway Company, a corporation created, organized and existing by and under the laws of the late Territory and present State of Minnesota, party of the first part, and the Central Trust Company of New York, a corporation created, organized and existing by and under the laws of the State of New York, party of the second part, witnesseth:

Whereas, by an act of the Congress of the United States, approved on the third day of March, in the year of our Lord one thousand eight hundred and fifty-seven, entitled, "An act making a grant of land to the Territory of Minnesota, in alternate sections, to aid in the construction of certain Railroads in said Territory, and granting public lands, in alternate sections, to the State of Alabama, to aid in the construction of a certain Railroad in said State," there was granted by the United States of America, to the late Territory of Minnesota, for the purpose of aiding in the construction of Railroads and Branches in said act described, every alternate section of land designated by odd numbers, for six sections in width, on each side of each of said roads and branches, with a provision by which, in case it should appear that the United States had, when the lines or routes of said roads and branches should be definitely fixed, sold any of such sections or any parts thereof, or that the right of pre-emption had attached to the same, there was granted by the United States to said Territory, from the lands of the United States nearest to the tiers of sections above specified, so much land in alternate sections, or parts of sections, as should be equal to such lands as the United States should have so sold or otherwise appropriated, or to which the rights of pre-emption should have so attached, as aforesaid—the same to be selected for and on account of each of said roads and branches, by any agent or agents to be appointed by the Governor of said Territory or future State, subject to the approval of the Secretary of the Interior, and to be located not further than fifteen miles from the lines of said roads and branches;

And whereas, the Legislative Assembly of the said Territory of Minnesota, by chapter one of an act entitled "An Act to execute the trust created by an Act of Congress, entitled 'AN ACT MAKING A GRANT OF LAND TO THE TERRITORY OF MINNESOTA IN ALTERNATE SECTIONS TO AID IN THE CONSTRUCTION OF CERTAIN RAILROADS IN SAID TERRITORY, AND GRANTING PUBLIC LANDS IN ALTERNATE SECTIONS TO THE STATE OF ALABAMA TO AID IN THE CONSTRUCTION

OF A CERTAIN RAILROAD IN SAID STATE,' and *granting certain lands to Railroad Companies therein named,*" approved May 22d, 1857, did create and declare the persons therein named, a body politic and corporate, by the name and style of the Minnesota and Pacific Railroad Company, and did authorize and empower the said Company to locate, construct, maintain and operate a Railroad, with one or more tracks or lines of rail, on such route as said Company should think proper, from Stillwater by way of Saint Paul and St. Anthony, *via Minneapolis*, to the town of Breckinridge, on the Sioux Wood River, with a branch from St. Anthony, *via Anoka*, St. Cloud and Crow Wing to St. Vincent, near the mouth of the Pembina River (the said Railroad and Branch being one of the Railroads and Branches specially mentioned in and provided for by said act of Congress, of March 3d, 1857), and for the purpose of aiding in the construction of the said Railroad and Branch, did grant to said Company all the interest and estate, present and prospective, of said Territory, and of the future State which should succeed it in or to any or all of the lands granted by the government of the United States to the Territory of Minnesota, for the purpose of aiding in the construction of said Railroad and Branch, by or under the said Act of Congress of March 3d, 1857, together with all and singular the rights, privileges and immunities conferred, or intended to be conferred, by said Act of Congress upon certain conditions by the said act of the Legislative Assembly imposed:

And *whereas*, under and pursuant to an act of the Legislature of the State of Minnesota, entitled "*An Act to facilitate the construction of the Minnesota and Pacific Railroad and to amend and continue the Act of Incorporation relating thereto,*" approved March 10th, 1862, the Saint Paul and Pacific Railroad Company was duly organized, and became a corporation, and succeeded to, and became vested with all the corporate powers and franchises, and all the rights, privileges, property, benefits, immunities and lands of, or which had theretofore pertained to the said Minnesota and Pacific Railroad Company; and thereupon took possession, and commenced the construction of said Railroad—such corporate powers, franchises, rights, privileges, property, benefits, immunities and lands, having, before the passage of said last mentioned act become reinvested in the State, without merger, and subject to disposition by the Legislature thereof:

And *whereas*, by the sixth section of an act of the said Legislature, entitled "*An Act to amend the Charter of the Saint Paul and Pacific Railroad Company,*" approved February 6th, 1864, said last mentioned Company was authorized to relocate its said Branch line, so as to run and construct the same from a point at or near St. Cloud to the International Boundary, without proceeding by the way of Crow Wing;

And *whereas*, by the second section of an act of the said Legislature, entitled "*An Act to aid and facilitate the completion of the Saint Paul and Pacific Railroad and Branches,*" approved March 2d, 1865, it was declared and enacted, that any and all grants of land which might thereafter be made by the Congress of the United States to the State of Minnesota, for the purpose of aiding in the con-

struction of the lines of railroad, or any portion of them, authorized to be constructed by the said Saint Paul and Pacific Railroad Company, should inure to the benefit of said Company; and such lands, and the future interest of the State in and to them were, in and by said section, granted to said Company, upon the same terms and conditions as the lands theretofore granted to it, and it was made the duty of the Governor, on behalf of the State, to convey the same to said Company according to the terms and provisions of the act or acts of Congress granting the same;

And whereas, by an act of the Congress of the United States, entitled "An Act extending the time for the completion of certain land grant Railroads in the States of Minnesota and Iowa, and for other purposes," approved March 3d, 1865, the quantity of lands so granted as aforesaid to aid in the construction of said railroad and branches by the said act of March 3d, 1857, was increased to ten sections per mile for each of said Railroads and Branches, subject to the limitations contained in said act of March 3d, 1857, and subsequent acts; and the limits within which such lands could be located were enlarged to twenty miles on either side of said roads and branches;

And whereas, the said Congress of the United States, afterwards, by an act entitled "An Act authorizing the Saint Paul and Pacific Railroad Company to change its lines, in consideration of a relinquishment of lands," approved March 3d, 1871, authorized the Saint Paul and Pacific Railroad Company to so alter its branch lines, that instead of constructing a road from Crow Wing to St. Vincent, it might locate and construct a line from Crow Wing to Brainerd, to intersect with the Northern Pacific Railroad, and from St. Cloud to a point of intersection with the line of the original grant at or near Otter Tail or Rush Lake, so as to form a more direct route to St. Vincent, with the same proportional grant of lands, to be taken in the same manner along said altered lines, as was provided for the then present lines by existing laws, upon certain conditions in said act declared, which conditions were complied with;

And whereas, under and by virtue of the first section of the said act of the Legislature of February 6th, 1864, and the agreement and proceedings made and had thereunder, and referred to in an act of the said Legislature, entitled "An Act to legalize and confirm the organization, acts and proceedings of the First Division of the Saint Paul and Pacific Railroad Company, and in relation to the character and powers of said company," approved February 6th, 1866, the said First Division of the Saint Paul and Pacific Railroad Company—only about thirty miles of said Railroad and Branch, viz., the portion thereof extending from Saint Paul by way of St. Anthony to Anoka, having been previously completed—became entitled to, and invested with, all and singular the corporate powers and franchises, and all the rights, privileges, property, benefits, immunities and lands of the said Saint Paul and Pacific Railroad Company, belonging or pertaining to the lines of railroad in said agreement specified, to-wit: the said lines extending, the one from Saint Paul, by way of St. Anthony to Watab, in the county of Benton, and the other from said St.

And through the said Santa Fe and Pacific Railroad Company otherwise proposed to the construction of the line of railroad extending from East St. Louis through a tunnel with said Branch Line at St. Thomas and the International Line from there to and about the St. Thomas Extension of the Santa Fe and Pacific Railroad Company and thereafter along the St. Thomas Extension Line and the extension complete and you a separate purchase contract and were prepared and executed the said and these appearing to each company's records:

And further the said Santa Fe and Pacific Railroad Company, and the said
 2 of the said Santa Fe and Pacific Railroad Company, for the purpose
 of raising money for the construction and equipment of their respective line
 of railroad did buy and acquire lands and acquire several issues of bonds
 and receive the payment of the principal and interest thereof by several ways
 and means in violation of law, contrary to justice and the Mail, Branch and
 of the United States Lines of railroad, and all and singular the
 rights, powers, franchises, immunities and property of the said Companies,
 contrary to the Statutes and Grants pertaining to said lines of railroad.

And whereas, claims having been made in the conditions of said seven mortgages, in favor of trust, the same were duly and legally foreclosed, and the party of the first part hereto, *The Saint Paul, Minneapolis and Manitoba Railway Company*, through and under such foreclosures, and the purchase thereon made for the benefit of the holders of such bonds, and the organization had not perfected in pursuance of the statute in that behalf, which organization and purchases are the same referred to in an act of the said Legislature, entitled "*An Act confirming the organization and certain purchases of the Saint Paul, Minneapolis and Manitoba Railway Company, and in relation to the charter, powers, franchises, and property of said company,*" approved March 7th, 1881, became in its corporate capacity the owner, and possessed of the said Main, Branch, and St. Vincent Extension Lines of Railroad, that is to say, of the said line of railroad from Saint Paul by the way of St. Anthony (now East Minneapolis) to Watab, the said line of railroad from St. Anthony to Breckinridge, and the said line of railroad from East St. Cloud to St. Vincent, and the International Line—about ninety miles of the said last mentioned line being then uncompleted, but said lines being now each of them fully completed and in operation, and owned and possessed by the party of the first part— with all and singular the equipments and appurtenance thereof, and all corporate and other franchises, and all rights, privileges, and

terests and immunities of either the said Saint Paul and Pacific Railroad Company, or the said First Division of the Saint Paul and Pacific Railroad Company, pertaining or belonging to the said several lines of railroad, or to any or either of them, or any part thereof, including all and singular the land-grants hereinabove mentioned, so far as they belong or pertain to the said several lines of railroad, or any, or either of them, and all the lands granted to aid in the construction thereof, and all rights to lands under said grants for the construction of said lines, or of either of them, excepting only such as were reserved in and by such deeds of trust respectively, and such others as prior to said foreclosures had been granted and conveyed by the trustees in said respective deeds of trust, pursuant to the authority in such deeds contained; such land-grants and lands, the right or title to which so became vested in the said party of the first part as aforesaid, being estimated at two million, six hundred and five thousand seven hundred (2,605,700) acres, of which, however, about six hundred and fifty thousand acres, lying and being within the geographical limits of the grant of lands by the United States to the Northern Pacific Railroad Company, are claimed by said Northern Pacific Railroad Company, and are, and for several years have been, the subject of a suit in equity (still pending and undetermined) in the Circuit Court of the United States for the District of Minnesota, between said Northern Pacific Railroad Company, as plaintiff, and the Saint Paul and Pacific Railroad Company, as defendant; *subject however*, as to the said line of railroad from Saint Paul, *via* St. Anthony, to Watab, about eighty miles from Saint Paul, and the equipment and appurtenances thereof, to the lien of a certain mortgage or deed of trust, bearing date the second day of June, A. D. 1862, executed by the said Saint Paul and Pacific Railroad Company to Russell Sage and Samuel J. Tilden, Trustees, to secure its bonds to the amount of seven hundred thousand dollars bearing the same date, and payable on the first day of July, A. D. 1892, with interest at the rate of seven per cent. per annum, payable semi-annually, on the first days of January and July in each year; of which bonds there are now outstanding and in force, bonds to the amount of three hundred and sixty-six thousand dollars, the interest whereon has been paid up to the first day of January, A. D. 1883 — the said last mentioned mortgage, or trust deed, not having been embraced in the foreclosures aforesaid — and which said bonds so now outstanding, the said party of the first part hereby covenants and agrees to and with the party of the second part, for the benefit of the holders of the bonds secured by this instrument, to pay and discharge, the interest and principal as the same shall become due and payable;

And whereas, the party of the first part, prior to the twenty-first day of June, A. D. 1879, purchased, as herein stated, and now owns and is possessed of, lines of railroad as follows: of the Red River and Manitoba Railroad Company, all that part of its railroad, as constructed, extending from said Breckinridge (where it connects with said Main Line) to Barnesville, in said State of Minnesota (where it connects with said St. Vincent Extension Line), a distance of about twenty-nine miles; and of the Red River Valley Railroad

Company, all that part of its railroad extending from Crookston, in the State of Minnesota (where it connects with said St. Vincent Extension Line), to Grand Forks, on the Red River of the North, a distance of about twenty-four miles, of which last mentioned line there was completed at the date of its purchase only ten and three-quarters miles, but both which lines are now fully completed and in operation;

And whereas, the party of the first part hereto, on the twenty-first day of June, A. D. 1879, executed and delivered to John S. Kennedy, John S. Barnes and James A. Roosevelt, a deed of trust or mortgage, bearing that date, of and upon the entire lines of railroad so then owned and possessed by it as aforesaid, to-wit: the said Branch Line from Saint Paul *via* St. Anthony (now East Minneapolis) and Anoka, to Watab; the said Main Line from said St. Anthony to Breckinridge; the said St. Vincent Extension Line from East St. Cloud to St. Vincent and the International Line; the said line from Breckinridge to Barnesville, and the said line from Crookston to Grand Forks,—together with the equipment and appurtenances thereof, and all the rights, powers, immunities and corporate and other franchises thereunto respectively belonging, and all the lands so granted as aforesaid to aid in the construction of said Main, Branch, and St. Vincent Extension Lines, and pertaining thereto, to secure the payment of its bonds to the amount of eight million dollars, bearing the same date, and payable on the first day of July, A. D. 1909, with interest at the rate of seven per cent. per annum, payable semi-annually, on the first days of July and January in each year, all of which bonds were issued and negotiated, but of which bonds to the amount of two million two hundred and fifty thousand dollars have been retired, from the proceeds of the sales of lands, in the manner provided in said trust deed, leaving now outstanding bonds of said issue to the amount of five million seven hundred and fifty thousand dollars, upon which all interest due has been paid; which deed of trust or mortgage was recorded in the office of the Secretary of State, of the State of Minnesota, on the first day of July, A. D. 1879, and is hereby particularly referred to for its contents and legal effect, and also to show more fully the title of the party of the first part to the lines of railroad and the land-grants aforesaid, and the origin and sources thereof;

And whereas, the party of the first part, on the first day of October, A. D. 1879, executed and delivered to John S. Kennedy and Samuel Thorne, Trustees, a certain other deed of trust, or mortgage, bearing that date, of and upon the same lines of railroad last above described, together with the appurtenances and equipment thereof, and all the rights, powers, immunities and corporate and other franchises thereunto respectively belonging, but not upon the land-grants aforesaid, to secure the payment of a second issue of the bonds of said Company, to the amount of eight million dollars, bearing the same date last aforesaid, and payable on the first day of October, A. D. 1909, with interest at the rate of six per cent. per annum, payable semi-annually on the first days of April and October in each year; all of which bonds were

negotiated and are now outstanding, the interest thereon heretofore accrued having been fully paid; which last mentioned deed of trust or mortgage was recorded in the office of the Secretary of State aforesaid, on the 31st day of October, A. D. 1879, and is hereby referred to for its contents and legal effect;

And whereas, afterwards, and prior to the first day of November, A. D. 1880, the party of the first part, purchased of the St. Cloud and Lake Traverse Railway Company, all that part of its railway extending from Morris, in the State of Minnesota (where it connects with said Main Line), to a point in the western boundary of said State between Big Stone Lake and Lake Traverse, known as Brown's Valley, a distance of forty-seven miles, with its appurtenances and equipment; and of the Barnesville and Moorhead Railway Company, all and singular its railway and the appurtenances and equipment thereof, extending from Barnesville aforesaid (where it connects with said St. Vincent Extension Line) to Moorhead, a distance of about twenty-three miles, said railways being at the time of the purchase thereof constructed and completed, and now owned and possessed by the party of the first part;

And whereas, the Statutes of the Territory of Dakota authorize and empower any railroad corporation chartered by, or organized under, the laws of the United States, or of any State or Territory, whose constructed railroad shall reach or intersect the boundary of said Territory at any point, to extend its railroad into said Territory from any such point or points, to any place or places within said Territory, and to build branches from any point on such extension, upon compliance with certain requirements of the said Statutes in that behalf, with all the rights and privileges it would have, if it had been authorized, by Articles of Association filed in accordance with the Statutes of said Territory so to do; and the party of the first part is empowered by the laws of the State of Minnesota to exercise all its rights, franchises and privileges in any other State or Territory of the United States, under and subject to the laws thereof;

And whereas, the said Main Line of railroad from St. Anthony to Breckinridge reaches, at said Breckinridge, the eastern boundary of the said Territory of Dakota, on the Sioux Wood (or Bois de Sioux) River, and the said line from Barnesville to Moorhead reaches the same boundary at said Moorhead on the Red River of the North, and said line from Crookston to Grand Forks reaches and intersects the same boundary at said Grand Forks, on the said Red River; and the party of the first part, under and by virtue of the Statutes of said Territory above referred to, and other Statutes and Laws of said Territory, applicable in the premises—having complied with the requirements thereof—has become, and is, authorized and empowered to build, construct, acquire, equip, own, possess, maintain and operate lines of railroad in said Territory as follows, viz., a line of railroad connecting with the said Main Line from St. Anthony to Breckinridge, by a bridge across the Sioux Wood River at said Breckinridge, and running thence through and into the counties of

Richland, Cass, Traill, Grand Forks, Walsh and Pembina to the International Line between said Territory and the Dominion of Canada, at a point in said county of Pembina; a branch therefrom at Everest, in the county of Cass, and running thence, by the way of Casselton, Blanchard and Mayville, through and into the Counties of Cass, Traill, Grand Forks, Walsh and Pembina to a point on the north line of said County of Pembina, in Township 164 and Range 56, according to the United States Government survey, and a branch therefrom at Ripon, in the County of Cass, and running thence in a northerly direction, by the way of Hope, through and into the Counties of Cass, Traill, Grand Forks, Walsh and Pembina to the said International Line at a point in said County of Pembina; of which said line and branches there is constructed, equipped and in operation, of said main extension line, all that part thereof extending from Breckinridge (where it connects with said Main Line from St. Anthony to Breckinridge by a bridge across the Sioux Wood River) by the way of Everest and Ripon to Portland, a distance of 100 miles; of said branch from Everest to the north line of the County of Pembina, all that part thereof, extending from the junction at said Everest, by way of Casselton and Blanchard, to Mayville, a distance of $45\frac{1}{2}$ miles, and of said branch from Ripon to the International Line, all that part thereof extending from the junction at said Ripon to Hope, a distance of $29\frac{1}{2}$ miles; a line of railroad, connecting with the said line from Crookston to Grand Forks by a bridge across the Red River at said Crookston, and running thence through and into the Counties of Grand Forks, Ramsey, McHenry, Desmet, Rolette and Bottineau to the east bank of Mouse River, in said County of Bottineau, of which line there is now constructed, equipped and in operation, all that part thereof extending from Grand Forks (where it connects with said line from Crookston to Grand Forks by a bridge across the Red River) westerly a continuous distance of $82\frac{1}{2}$ miles; a line of railroad extending from Grand Forks (where it connects by said bridge across the Red River with the said line from Crookston to Grand Forks) through and into the Counties of Grand Forks, Walsh and Pembina to Neche, and the International Line, a distance of 81 miles, all of which line is now constructed, equipped and in operation; and a line of railroad connecting with the said line from Grand Forks to Mouse River at Grand Forks Junction, $3\frac{1}{2}$ miles west of Grand Forks, and extending thence in a southerly direction, through and into the Counties of Grand Forks, Traill and Cass, to Fargo, and the eastern boundary of said territory, where it connects by a bridge across the Red River with said line from Barnesville to Moorhead, a distance of $74\frac{1}{2}$ miles, all of which is now constructed, equipped and in operation;

And whereas, the party of the first part, on the first day of November, A. D. 1880, executed and delivered to the Central Trust Company of New York, a certain deed of trust, or mortgage, bearing that date, of and upon the said lines of railroad in the State of Minnesota, from Morris to the eastern boundary of the Territory of Dakota at Brown's Valley, and from Barnesville to the same boundary line at Moorhead, and all and singular the extension lines

and branches, and other lines and branches, constructed or unconstructed, in said Territory of Dakota, which the said party of the first part then had or owned, or might thereafter acquire by purchase, consolidation, construction or otherwise under the laws of said Territory, with the appurtenances to the same belonging, and certain rolling stock and equipment set apart and to be set apart and assigned to such lines as the rolling stock and equipment thereof, and all and singular the rights, privileges, immunities and corporate and other franchises to the said lines of railroad respectively belonging, or in any wise appertaining, to secure the payment of a further issue of bonds of said Company to the amount not exceeding six million dollars, to be issued at such times and in such amounts that the outstanding bonds of the issue should not, at any time, exceed the rate of twelve thousand dollars of bonds for each mile of completed railroad, equipped as aforesaid, covered by the said mortgage or deed of trust, and payable on the first day of November, A. D. 1910, with interest at the rate of six per cent. per annum, payable semi-annually on the first days of May and November in each year, of which bonds there have been issued in pursuance of the provisions of said trust deed, and negotiated, and are now outstanding bonds to the amount of five million six hundred and seventy-six thousand dollars, the interest thereon heretofore accrued having been fully paid, which said deed of trust, or mortgage, was recorded in the office of the Secretary of State of the State of Minnesota, on the 13th day of November, A. D. 1880, and in the office of the Secretary of the Territory of Dakota, on the 17th day of November, A. D. 1880, and is hereby referred to for its contents and legal effect;

And whereas, the party of the first part has recently purchased, as hereinafter stated, and now owns and is possessed of lines of railroad in the State of Minnesota, now fully constructed, completed and in operation, as follows, viz., of the Minneapolis and St. Cloud Railroad Company, all its branch line of railroad extending from East St. Cloud (where it connects with the said line from Saint Paul to Watab) to a connection with the St. Paul and Duluth Railroad at Hinckley, a distance of $66\frac{1}{2}$ miles; of the Minneapolis and Northwestern Railroad Company, all that part of its railroad, as now constructed, which extends from Minneapolis (where it connects with said line from St. Anthony to Breckinridge) to St. Cloud (where it connects with said line from East St. Cloud to St. Vincent), a distance of $63\frac{1}{2}$ miles; of the Sauk Centre Northern Railway Company, all that part of its railroad, as now constructed, which extends from Sauk Centre (where it connects with said line from East St. Cloud to St. Vincent), to Clarissa, a distance of $31\frac{1}{2}$ miles; and of the Northern Pacific, Fergus and Black Hills Railroad Company, all that part of its branch railroad, as now constructed, which extends from Fergus Falls (where it connects with said line from East St. Cloud to St. Vincent) to Pelican Rapids, a distance of $21\frac{1}{2}$ miles; and has recently constructed and equipped, and now owns and is possessed of, a branch line of railroad in the State of Minnesota extending from a point of junction with the said line from St. Anthony to Breckin-

ridge, near Wayzata in the county of Hennepin, along the north shore of Lake Minnetonka, a distance of six miles; and also now owns and is authorized to construct a branch line of railroad in said State extending from the village of Carlisle in the county of Otter Tail (where it connects with the said line from East St. Cloud to St. Vincent in a northerly direction via Pelican Rapids through the counties of Otter Tail, Becker and Polk to the Red Lake River in said Polk County, of which the portion thereof extending from said Carlisle to Elizabeth, a distance of about three and three-fourths miles, is now constructed and completed:

And whereas, the party of the first part has recently purchased, for supplying wood and timber for the construction, repairing, replacing and operation of its lines of railroad, and now owns about 26,670 acres of timbered land situate in the county of Todd and State of Minnesota, described in a deed of conveyance thereof from James J. Hill and wife to the said party of the first part, bearing date the 16th day of April, A. D. 1883, and recorded in the office of the Register of Deeds of said county of Todd, on the 26th day of April, A. D. 1883, in book "H" of deeds, at page 625, *et sequitur*, to which deed reference is hereby made for such description:

And whereas, the party of the first part has recently constructed a double track on all that part of said line from Saint Paul to Watab, which extends from Saint Paul to Fridley, a distance of 16½ miles, and it is proposed from time to time to construct a double track upon other portions of its lines, as it shall be deemed necessary or advantageous; and it is proposed to proceed with the construction and equipment of its said extension lines and branches in the Territory of Dakota, which are now uncompleted, and to build, construct, purchase, acquire, equip and operate such other connecting lines and branches in the State of Minnesota and Territory of Dakota, as the interests of the Company may be deemed to require;

And whereas, the said party of the first part has made and incurred heavy expenditures and liabilities in the purchase of lines of railroad as aforesaid; in the construction of said extension lines and branches in Dakota, and said branch lines in Minnesota, and of said double track; in the improvement of the road-bed and superstructure of its several lines; in the making of large additions to its rolling stock and equipment, and extensive additions to its side tracks at Saint Paul, Minneapolis, St. Cloud, St. Vincent, Barnosville and elsewhere; in the construction of extensive machine and car shops at Saint Paul, and for machinery therefor, and in providing necessary transfer facilities at and near Saint Paul and Minneapolis, and for other purposes;

And whereas, the party of the first part deems it expedient to consolidate its funded debt into an issue of bonds to be equally and ratably secured by a trust deed or mortgage upon all its lines of railroad in Minnesota and Dakota, constructed and unconstructed, acquired and to be acquired, and the appurtenances and equipment thereof, and the lands and land-grants aforesaid; and to that end to exchange bonds to be issued in pursuance of and

secured by this instrument for, or otherwise retire, the said bonds now outstanding of the said issues of June 21st, 1879, October 1st, 1879, and November 1st, 1880 ;

And whereas, the said party of the first part, under and by virtue of the laws of the said State of Minnesota, is authorized and empowered in its corporate capacity among other things, to borrow any sums of money, from any person or persons, corporation or body politic of any kind, or for any rate of interest which may be agreed upon by and between the said party of the first part and any person or party of whom such loan may be obtained, any law on the subject of usury to the contrary notwithstanding, and to make, execute and deliver all necessary writings, notes, bonds, mortgages or other obligations and securities in amount and kind, as it may deem expedient, in consideration of any such loan, or in discharge of any liabilities incurred in the construction, repair, equipment or operation of its said lines of railroad ; *also*, in its corporate capacity, to make, execute, issue and deliver its bonds or obligations in any amount which its directors may deem necessary or expedient ; and to secure the payment of all or any of such bonds, in its corporate capacity, to make, execute and deliver one or more mortgages or deeds of trust upon the whole or any part of its lines of railroad, constructed or authorized to be constructed, and any or all of its estate, real, personal or mixed, in possession or expectancy ; and in and by such mortgage or deed of trust, to confer upon the trustee or mortgagee full and ample powers to enter into and upon, and to take possession of, have, use and employ, or to sell, or dispose of, the whole or any part of said lines of railroad, and all corporate and other franchises and privileges of the said party of the first part ; *also*, by its Board of Directors, to prescribe the sum or sums for which each of such bonds shall be issued, the time or times, and place or places when and where the principal and interest of the same shall be payable, and whether payable to order or to bearer, or how otherwise negotiable, the rate of interest they shall bear, and the manner and form in which the interest coupons annexed to them shall be executed, and all matters relating to the form and terms of any such mortgage or deed of trust, and of its execution and delivery ; *also*, through its agents or brokers or otherwise, at any place, to sell, loan, pledge or otherwise dispose of any or all of such bonds at par or at any price less than par, and for such sum or sums, and on such terms as to the said party of the first part, its agents or brokers, shall appear most for its interest ; *also*, to acquire and take lands and other property, either real, personal or mixed, by deed, gift or purchase, or by operation of law, and to hold or mortgage, pledge, lease, sell and convey the same, or any estate of which it may be seized, or which it may subsequently acquire therein, such manner and on such terms as its directors may think proper ;

And whereas, the party of the first part, for the purpose of raising money and means to meet the expenditures and liabilities so made and incurred as aforesaid, and for the completion and equipment of said extension lines and branches now uncompleted in the Territory of Dakota, and for the const

tion, purchase, acquisition and equipment of such other extensions, branches and lines of railroad in Minnesota and Dakota as the party of the first part may hereafter construct, purchase or acquire, and to replace and retire the said outstanding bonds of the several issues of June 21st, 1879, October 1st, 1879, and November 1st, 1880, and for other purposes, has resolved and determined to make, issue, sell, exchange or otherwise dispose of its bonds to an amount not exceeding fifty million dollars, but limited as to the amount of the issue as hereinafter provided, and to secure the payment thereof by a deed of trust or mortgage upon all its above described railroads and lines of railroad in Minnesota and Dakota, constructed and unconstructed, and upon such other railroads and lines of railroad as the party of the first part may hereafter construct, purchase or acquire in Minnesota and Dakota, with the equipments and appurtenances, and all the rights, privileges, immunities and corporate and other franchises thereunto belonging or in any wise appertaining; such issue of bonds to be for the sum of one thousand dollars each, and to be of the same general form and character, save that a portion thereof are to be negotiable in form, and pass by delivery, unless registered for the time being in the name of the owner on the books of the company, and to have interest coupons attached, attested by the *fac simile* of the signature of the Secretary, and a portion thereof are to be non-negotiable in form, without interest coupons attached, and transferable only on the books of the company, numbered consecutively, the said bonds so negotiable in form from one (1) to the highest number thereof issued, and the said bonds so non-negotiable in form A1, A2, and so on, to the highest number thereof issued, all to be sealed with the corporate seal, signed by the President (or Vice-President) and Secretary (or Assistant Secretary) of the Company, and certified by the Trustee hereunder; to bear date on the first day of May, A. D. 1883, and to be payable in gold coin of the United States of America of the present standard weight and fineness, at the office or agency of the said party of the first part, in the City of New York, on the first day of July, A. D. one thousand nine hundred and thirty three, and to bear interest from and after the first day of July, A. D. one thousand eight hundred and eighty-three, at the rate of six per cent. per annum, payable semi-annually on the first days of January and July in each year, in said gold coin, at the said office or agency of the party of the first part, in the city of New York, and all to be equally and ratably secured by such deed of trust or mortgage, without discrimination or preference in respect to the time or times of their issue, and the negotiable bonds to be in the general form following, viz.:

UNITED STATES OF AMERICA,

MINNESOTA AND DAKOTA.

\$1,000.

Consolidated Mortgage six per cent. Gold Bond.

No.....

ISSUED BY

THE SAINT PAUL MINNEAPOLIS AND MANITOBA RAILWAY COMPANY.

KNOW ALL MEN BY THESE PRESENTS, that The Saint Paul Minneapolis and Manitoba Railway Company is indebted in the sum of one thousand dollars, and hereby promises and agrees to pay said sum, to the Central Trust Company of New York, trustee, or bearer, in gold coin of the United States of America, of the present standard weight and fineness, on the first day of July, A. D. one thousand nine hundred and thirty-three, at its office or agency in the City of New York, with interest thereon, from and after the first day of July, A. D. 1883, at the rate of six per centum per annum, payable in semi-annual instalments on the first days of January and July in each year, in said gold coin, on presentation and surrender of the interest warrants or coupons hereto annexed, as they severally become due, at the said office or agency of the Company in the City of New York. And it is hereby declared and agreed, that in case default shall be made in the payment as aforesaid of any semi-annual instalment of interest on this bond, and such instalment of interest shall remain unpaid and in arrear for the period of six months after the same shall have become due and been demanded, the principal of this bond, as well as of all the bonds of the issue of which this is one, shall become due and payable in the manner, and with the effect, and subject to the conditions in that behalf provided in the deed of trust or mortgage hereinafter mentioned.

This bond is one of an issue of bonds to an amount not exceeding fifty million dollars, each for the sum of one thousand dollars, and all of the same general form, and quality, save that a portion thereof are negotiable in form, and pass by delivery, unless registered for the time being in the name of the owner on the books of the Company, and have interest coupons attached thereto, and a portion thereof are non-negotiable in form, without interest coupons attached, and are transferable only on the books of the Company (the former being convertible into the latter as in that behalf provided in said deed of trust), numbered consecutively, the said bonds so negotiable in form from one (1) to the highest number issued thereof, and the said bonds so non-

negotiable in form A1, A2, and so on, to the highest number issued thereof, issued and to be issued for the purpose of meeting the expenditures and liabilities made and incurred by said Company in the recent construction, purchase and equipment of extension, branch and connecting lines of railroad, and in the improvement of its properties, and of consolidating the funded debt of the Company by retiring and replacing with the bonds of this issue all the bonded obligations heretofore issued by said Company, and of constructing and completing its unfinished lines and branches in the Territory of Dakota and State of Minnesota, and of acquiring by purchase, construction, consolidation or otherwise, such other branches and lines of railroad as said Company may now or hereafter have lawful right and may determine to construct, purchase or acquire, and for equipment and other purposes. The payment of each and all of the bonds of said issue, together with the interest thereon, without reference to the time when they shall be actually issued, is secured by a deed of trust or mortgage, bearing date the first day of May, A. D. one thousand eight hundred and eighty-three, duly executed by said The Saint Paul Minneapolis and Manitoba Railway Company to the Central Trust Company of New York, trustee, upon all the railways and lines of railway now owned by said The Saint Paul Minneapolis and Manitoba Railway Company in the State of Minnesota and Territory of Dakota, constructed and unconstructed (1,312 miles being now completed, equipped and in operation), and all railways and lines of railway which may be by it hereafter acquired, within the State of Minnesota and the Territory of Dakota, by construction, purchase, consolidation or otherwise, and generally the equipments, appurtenances, property, revenues and franchises in said deed of trust or mortgage mentioned, including the lands and land-grants therein mentioned. The bonds of said issue in excess of thirty million dollars are to be certified and issued from time to time only as additional railroad or track shall be built or otherwise acquired, at the rate of fifteen thousand dollars per mile for completed single track road, and twelve thousand dollars per mile additional for double track, as in that behalf provided in the said deed of trust or mortgage, to which reference is hereby made. This bond shall pass by delivery, unless registered in the name of the owner on the book of the Company, in the City of New York. After a registration of ownership, certified hereon by the transfer agent or officer of the Company, no transfer, except on the books of the Company, shall be valid, unless the last preceding transfer shall have been to bearer, which shall restore transferability by delivery; but this bond shall continue subject to successive registrations and transfers to bearer as aforesaid, at the option of each holder; and this bond is convertible into a bond of the said non-negotiable form, without coupons attached, and transferable only on the books of the Company, at the will of the holder, as in that behalf provided in the said deed of trust.

This bond shall not become valid or obligatory until authenticated by a certificate indorsed thereon, and signed by the trustee, to the effect that it is properly issued.

IN WITNESS WHEREOF said The Saint Paul Minneapolis and Manitoba Railway Company has caused its corporate seal to be hereto affixed, and these presents to be signed by its President and Secretary, on the first day of May, A. D. one thousand eight hundred and eighty-three.

CORPORATE
SEAL.

The Saint Paul Minneapolis and Manitoba Railway Company,

By.....President.

.....Secretary.

INTEREST COUPON.

\$30.00.

\$30.00.

The Saint Paul Minneapolis and Manitoba Railway Company will pay to the bearer hereof

THIRTY DOLLARS

in gold coin, at its office or agency in the City of New York, on the first day of A. D. , being six months' interest due on that day on its Consolidated Mortgage Six per cent. Gold Bond, dated, May 1st, 1883, No.

.....Secretary.

TRUSTEE'S CERTIFICATE.

This bond is one of the bonds of the issue the payment whereof is secured by the deed of trust or mortgage within mentioned, which bears date May 1st, A. D. 1883. Said deed of trust or mortgage has been duly recorded, and this bond is properly issued in accordance with the provisions thereof.

Central Trust Company of New York, Trustee.

By

President.

The non-negotiable bonds of the issue are to be in the same general form as the negotiable bonds, but without interest warrants or coupons, and are to be transferable only on the books of the Company, and to so show on their face (but they are not to be convertible into coupon bonds); and the Trustee's Certificate is to be the same upon all the bonds of the issue.

NOW THEREFORE THIS INDENTURE WITNESSETH, that the said party of the first part, in consideration of the premises and of one dollar to it in hand paid, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal and interest of the bonds aforesaid, to be issued by the said party of the first part as herein recited and provided, and every part

[illegible]

nects with said lines from Crookston to Grand Forks and from Grand Forks to the Mouse River) to Neche and the International Line (of which said lines there is now constructed, equipped and in operation, 1,312 miles of main track), together with the said bridges across the Sioux Wood River, at or opposite Breckinridge and across the Red River at or opposite Fargo and Grand Forks; also, all the right, title and interest of the party of the first part in and to a line of railroad extending from Fergus Falls to Breckinridge, under a contract or indenture for the perpetual use thereof by the party of the first part, its successors and assigns, in common with the Northern Pacific Fergus and Black Hills Railroad Company, its successors and assigns, entered into by and between said parties, bearing date the first day of October A. D. 1882, to which contract reference is hereby made; and also, all the right, title and interest of the party of the first part in and to a line of railroad from Morris to Sauk Centre, in pursuance of a provision for the perpetual joint use by the party of the first part, its successors and assigns, and the Little Falls and Dakota Railroad Company, its successors and assigns, of a line of railroad from Sauk Centre to Brown's Valley, composed of said line from Morris to Sauk Centre and the aforesaid line from Morris to Brown's Valley, contained in the second section of a contract between the party of the first part and the Northern Pacific Railroad Company, bearing date October 1st, 1882, and to which reference is made, and to which right of the said Little Falls and Dakota Railroad Company, its successors and assigns, to the use of the said line from Morris to Brown's Valley, upon the performance of the conditions of such right, these presents are subject; also, all the railroads and lines of railroad which the party of the first part now owns or may hereafter acquire, in the State of Minnesota and Territory of Dakota by construction, purchase, consolidation or otherwise, under the laws of said State or Territory, and all and singular the railways, ways and rights of way, road-beds, depot grounds and lands, and all tracks, bridges, viaducts, culverts, fences, depots, stations, station houses, engine houses, car houses, freight houses, wood houses, machine shops and other shops, and all other structures and buildings whatsoever now held or acquired, or hereafter to be in anywise acquired or held by said party of the first part, its successors or assigns, in said State of Minnesota and Territory of Dakota, for use in the construction, maintenance and operation of and in connection with the said railroads now owned by it, or any part thereof, or any such railroads as it may hereafter construct, or in anywise acquire, in said State or Territory; also, all locomotives, tenders, passenger, baggage, freight, cattle and other cars, and all other rolling stock and equipment whatsoever, and all machinery, tools and implements, and all fuel, supplies and materials now held or acquired, or hereafter to be held or acquired by said party of the first part, its successors or assigns, for constructing, maintaining, operating, repairing and replacing the said railroads now owned by it, or of any such railroads as it may hereafter construct, or in anywise acquire, in said State or Territory, or any of the equipments or appurtenances thereof; and all revenues, rates, tolls, in-

come, rents, issues, profits and sums of money arising, or to arise, from said railroads and other premises hereby expressed to be conveyed, acquired and to be acquired, constructed, and to be constructed, or from any of them; and also all rights, privileges, powers, immunities and exemptions, and all corporate and other franchises, now owned, held and enjoyed by the party of the first part, or hereafter to be owned, held or enjoyed by, or conferred upon, the party of the first part, its successors or assigns, in said State of Minnesota and Territory of Dakota, connected with, or relating to, the said railroads and lines of railroad acquired, to be acquired, constructed and to be constructed in said State or Territory, or to the construction, maintenance or use of the same; *including* all the right, title and interest which the party of the first part now hath, or may at any time hereafter acquire in and to the railroads, depots, equipments, appurtenances, privileges, rights, property and franchises of the Minneapolis Union Railway Company, and in and to the capital stock of said last named Company; *including also*, all the rights which the party of the first part now hath, or may, or shall hereafter acquire, in and to the Union depot, grounds and transfer facilities at Saint Paul, and the Union transfer grounds and facilities between Saint Paul and Minneapolis, known as the "Minnesota Transfer," or to the use of said depot, grounds and facilities, whether such rights are, or shall be, represented by corporate stock held by the party of the first part or otherwise; *including also* all the lands in the County of Todd and State of Minnesota, embraced and described in the deed of conveyance from James J. Hill and wife to the party of the first part, so executed and recorded as aforesaid; *and including also* all right, title and interest which said party of the first part now has, or which it, or its successors or assigns, may at any time hereafter acquire by reason of the construction of said lines of railroad, or of any or any part of any of them, or otherwise, in, to or concerning the lands situate, lying and being in the State of Minnesota, which are embraced or intended to be embraced in the grants, or either of them, made by the Congress of the United States to the former Territory and present State of Minnesota, by the Acts of said Congress, approved March 3d, 1857, March 3d, 1865, and March 3d, 1871, respectively, and herein above mentioned—to aid in the construction of the said lines of railroad, or of any, or any part of any of said lines—such land-grants and lands, the right or title to which now remains vested in the party of the first part, including the lands so in dispute with the Northern Pacific Railroad Company, being estimated at 2,237,000 acres; and all and singular the tenements, hereditaments and appurtenances to the said railroads, lands and property, acquired and to be acquired, constructed and to be constructed, or any part thereof, now, or at any time hereafter belonging or in anywise appertaining, and all the reversion and reversions, remainder and remainders, estate, right, title, interest, property, possession, claim and demand whatsoever, as well in law as in equity, which the said party of the first part now hath or is entitled to, or which the said party of the first part, its successors or assigns, shall or may hereafter acquire or

become entitled to, in, to or concerning the said railroads and lines of railroad, lands, land-grants, rights, franchises and other property, and each and every part and parcel thereof, with the appurtenances; *expressly excepting however*, all swamp lands, and rights to swamp lands, granted by the State of Minnesota, or the Legislature thereof, to the said Minneapolis and St. Cloud Railroad Company, to aid in the construction of said line of railroad from East St. Cloud to a connection with the St. Paul and Duluth railroad at Hinckley, save only so much thereof as is, or shall be, required, if any, for right of way, side tracks, gravel pits and stations for said line; *excepting also* any and all right, title and interest of the party of the first part in or to the said St. Paul and Duluth railroad, or the capital stock of the St. Paul and Duluth Railroad Company; *and excepting also*, any and all right, title and interest of the party of the first part in or to the property or capital stock of the Climax Coal Company; *subject however*, to the right of said The Little Falls and Dakota Railroad Company, its successors and assigns, to the use, in common with the party of the first part, its successors and assigns, of the said line from Morris to Brown's Valley upon compliance with the terms which may be hereafter agreed upon; *subject also*, to the right of the Chicago, Saint Paul, Minneapolis and Omaha Railway Company and the Northern Pacific Railroad Company, and such other railroad companies as the party of the first part shall or may hereafter admit to a participation in such use, to the use in common with the party of the first part, of the tracks of the party of the first part between Saint Paul and Minneapolis, pursuant to the contracts heretofore entered into, or which may be hereafter entered into for such use, upon paying the sums of money and performing the other conditions of such use by them respectively to be paid and performed; the right to make such contracts for the use of said tracks being hereby reserved to the party of the first part, its successors or assigns; but the rents, income, tolls and sums of money payable, or to be paid to the party of the first part, its successors and assigns, by said companies for such use, under said contracts, shall be subject to the lien of these presents; *subject also*, as to the said line of railroad from Saint Paul to Watab, to the prior lien of the aforesaid deed of trust, or mortgage, made by the Saint Paul and Pacific Railroad Company to Russell Sage and Samuel J. Tilden, bearing date June 2nd, A. D. 1862, and securing bonds now outstanding to the amount of three hundred and sixty-six thousand dollars as aforesaid; *and subject also*, to the liens of the three several deeds of trust, or mortgages, made by the party of the first part as hereinbefore mentioned, one bearing date June 21st, 1879, to John S. Kennedy, John S. Barnes, and James A. Roosevelt, one bearing date October 1st, 1879, to John S. Kennedy and Samuel Thorne, and one bearing date November 1st, 1880, to the Central Trust Company of New York, until the bonds secured to be paid thereby shall be retired and replaced by the bonds of this issue set apart and pledged to that purpose as hereinafter provided, or be otherwise paid and discharged.

TO HAVE AND TO HOLD, the above described premises and property, acquired and to be acquired, and hereby expressed to be conveyed, and intended so to

be, unto the said party of the second part, and its successor or successors in the said trust, and its and their assigns forever;

IN TRUST, nevertheless, to and for the uses and purposes, and with the powers and authority, and upon the conditions, hereinafter mentioned and set forth, viz.:

Article First.—None of the bonds of the issue provided for in this instrument shall become obligatory upon the party of the first part, nor shall the payment of any bond of the said issue become secured hereby, until the certificate of the trustee hereunder shall be indorsed thereon to the effect and in the form hereinabove set forth; and bonds of the said issue shall be so certified by the trustee as hereinafter stated, and not otherwise, viz., bonds to the amount of ten million five hundred and seventy-four thousand dollars may be certified by the trustee at once, and issued by the party of the first part, bonds to the amount of nineteen million four hundred and twenty-six thousand dollars shall be, and are hereby irrevocably pledged and dedicated to the purpose of retiring and replacing the said bonds so heretofore issued by the said party of the first part and now outstanding, to-wit, the bonds now outstanding of the issues of June 21st, 1879, October 1st, 1879, and November 1st, 1880, and shall be certified or issued only for that purpose, and only as follows: whenever and as often as the party of the first part hereto shall produce or exhibit to the trustee hereunder any of the said bonds so heretofore issued by the party of the first part, and at the date of these presents outstanding, properly and sufficiently canceled, so as to prevent them being again put in circulation, or shall so cancel the same in the presence of the trustee—whether the bonds so produced or exhibited shall have been obtained and canceled by the party of the first part for the purpose of exchanging the same for bonds of this issue, or through or by reason of the payment and retirement thereof from or out of the proceeds of lands under the provisions of said deed of trust or mortgage of June 21st, 1879, or otherwise lawfully taken up, paid or obtained—the said trustee shall certify, and the party of the first part shall thereupon have the right to issue, an equal amount, dollar for dollar, of the bonds of this issue so pledged and dedicated as aforesaid; the remaining twenty million dollars of bonds of the issue hereby provided for shall be kept in reserve for the following purposes, and none other, and shall be certified or issued only as follows, viz.: whenever and as often as any additional miles of main track railroad in the State of Minnesota or Territory of Dakota—additional to constructed railroad owned by the party of the first part at the date of these presents as hereinbefore stated—shall be constructed by the party of the first part ready for operation, on the lines, extensions or branches which the party of the first part is now so authorized to construct and complete as aforesaid, or on any other branches, extensions or lines which the party of the first part now is, or may hereafter become authorized to construct, maintain and operate in the State or Territory aforesaid, or any miles of constructed main track railroad ready for operation in the State of Minnesota or Territory of

Dakota additional as aforesaid, shall be hereafter acquired by the said party of the first part, by purchase, consolidation or otherwise, under the laws of said State or Territory, and such fact shall be made to appear to the trustee hereunder, by the certificate of the President, or Vice-President, and the Chief Engineer or General Manager of the party of the first part, showing, among other things, the location and exact length of the additional railroad so constructed or acquired, or both, the trustee hereunder, upon the request of the Board of Directors, or the Executive Committee thereof, of the party of the first part, shall certify and the party of the first part shall thereupon have the right to issue, from the said reserve of twenty million dollars of bonds, bonds at the rate of, but not exceeding (except in case of double track as hereinafter specially provided), the sum of fifteen thousand dollars per mile, of the additional railroad ready for operation so constructed or acquired, or both; and whenever and as often as the party of the first part shall construct ready for use upon the lines so now owned by it, or hereafter to be acquired by it, or any of them, any additional miles of double track—additional to that so constructed at the date of these presents and hereinbefore mentioned, whether by the laying of a second main track on lines previously constructed, or by the construction of entire double track road; or shall hereafter acquire by purchase, consolidation or otherwise, under the laws of said State or Territory any miles of double track railroad constructed ready for use, and such fact shall be made to appear to the trustee hereunder by the like certificate of the President, or Vice-President, and Chief Engineer or General Manager of the party of the first part, showing, among other things, the location and exact length of the additional double track, or double track railroad, so constructed or acquired, or both, the said trustee upon the like request of the Board of Directors, or Executive Committee aforesaid, shall certify, and the party of the first part shall thereupon have the right to issue from the said reserve of twenty million dollars of bonds, bonds at the rate of, but not exceeding, the sum of twelve thousand dollars per mile, for double track constructed by the party of the first part by the laying of a second main track, or twenty seven thousand dollars per mile for entire double track railroad by said party of the first part constructed or acquired; *provided however*, that if any railroad, or line of railroad, hereafter acquired by the party of the first part, and so to become subject to the lien of these presents, shall be incumbered by mortgage or other liens created by any party other than the party of the first part hereto, prior to the lien of these presents, there shall be certified by said trustee or issued by said party of the first part, from said reserve of twenty million dollars of bonds, for additional constructed miles of railroad on any such lines so incumbered, only such an amount of bonds, if any, as together with the entire amount secured by such prior mortgage and other liens on the entire line of such railway, will amount to fifteen thousand dollars per mile of single track railroad, and twenty-seven thousand dollars per mile of double track railroad, constructed on such line ready for use; and the certificates so presented to the trustee with respect to additional

constructed railroad on lines hereafter acquired by the party of the first part, shall state whether such lines are incumbered by any such prior mortgage or other liens, and to what amount, if so incumbered; but bonds may from time to time be certified and issued from said reserve (until it shall be exhausted) for the purpose of replacing, paying and discharging prior mortgage or other liens on any such lines of railroad hereafter to be acquired, and so to become subject to the lien of these presents, upon producing to the trustee satisfactory proof of such payment and discharge, *provided always*, that the amount so certified or issued shall not in any event exceed the amount last hereinabove limited, that is to say, an amount which, together with the amount (if any) remaining secured by such prior mortgage or other liens, on the entire line of railway so acquired, shall not exceed fifteen thousand dollars per mile of single track railroad, and twenty-seven thousand dollars per mile of double track railroad, constructed on such line ready for use; it being the intention hereof, and the same is so hereby declared, that all of the bonds issued under the provisions of this instrument shall be equally in all respects secured by these presents upon all the property covered thereby, without preference, priority or discrimination on account of, or with reference to, the times of the actual issue thereof, or of any of them; *provided always*, that such bonds shall bear interest respectively only from the commencement of the semi-annual interest period in which they shall be issued, and that from all negotiable bonds the past-due coupons (if any) shall be cut off and canceled before the certification or issue thereof; and *provided further*, that the lawful owner and holder of any bond of said issue in the said negotiable form, with coupons attached, properly issued under the provisions of this deed, shall have the right to have the same exchanged for a bond of the said issue of non-negotiable form, without coupons, to be certified and issued in place thereof in manner following, viz., whenever and as often as the lawful owner and holder of any such coupon bond shall, at any time before the maturity thereof, surrender the same to the said Company with all the unpaid interest coupons thereof for such exchange, the said Company shall, and it hereby undertakes and agrees to receive and cancel the same and the said coupons thereof, and to issue to the person or party so surrendering the same, in place thereof, a bond of the said non-negotiable form which shall draw interest from the same time as the bond so surrendered; and upon the production by said Company of such surrendered bond and coupons to the said trustee, properly canceled so that the same cannot be again put in circulation, or upon so canceling the same in the presence of the trustee, it shall be the duty of the said trustee to certify, and the said Company may thereupon deliver, a bond of the said issue of said non-negotiable form in exchange for the bond so surrendered; but the said non-negotiable bond so issued in exchange shall not be again convertible into a coupon bond of the said issue, nor shall any of the bonds of said issue, issued in said non-negotiable form, be convertible into negotiable or coupon bonds. It shall be the duty of the said trustee, as well as of the

said Company, to keep a record of the bonds so exchanged, showing the numbers of the coupon bonds so surrendered for exchange, and the numbers of non-negotiable bonds so issued in place thereof, which shall be open to the inspection of all parties interested; and the Board of Directors of said Company shall annually, in their report to the Stockholders, state the amount of bonds so exchanged during the year covered by their report.

Article Second.—It is hereby expressly declared and agreed, that whenever and as often as the party of the first part shall hereafter acquire by construction, purchase, consolidation or otherwise, any railroad or line of railroad in the State of Minnesota or Territory of Dakota, additional to the railroads and lines of railroad now owned by it, every such railroad or line of railroad so acquired, with the appurtenances and equipments thereof, and all and singular the rights, privileges, powers, immunities and corporate and other franchises thereunto belonging or in anywise appertaining, shall by virtue of this present deed, and the grants, matters and things therein contained, be and become upon such acquisition thereof, without any other deed, conveyance, transfer, act, matter or thing, immediately and at once vested in the trustee hereunder as a part of the estate hereby conveyed, upon the trusts herein contained. Nevertheless, for the greater security of the holders of the bonds secured hereby, the said party of the first part shall, and it hereby, in consideration of the premises, and of the sum of one dollar to it paid by the party of the second part, the receipt whereof is hereby acknowledged, covenants and agrees to and with the said party of the second part, and its successors in trust, that it will, immediately and at once upon the acquisition by it of any such additional railroad or line of railroad, and before any bonds shall be certified by the trustee or issued by the party of the first part, or shall be entitled to be so certified or issued, with respect to any constructed railroad on any such line, in accordance with the provisions hereinbefore contained respecting and limiting such certification and issue, by its deed of conveyance, properly executed, acknowledged and recorded, grant, transfer and convey to said trustee every such railroad and line of railroad, and the equipment and appurtenances thereof, and all and singular the rights, powers, privileges, immunities and corporate and other franchises to the same belonging or in anywise appertaining, as a part of the estate hereby conveyed, and upon the trusts herein declared.

Article Third.—Until default shall be made in the payment of principal or interest of the said bonds hereby secured, or of some one or more of them, or until default shall be made in respect to something herein required to be done or kept by The Saint Paul Minneapolis and Manitoba Railway Company, the said Company, party of the first part hereto, shall be suffered and permitted to possess, manage and enjoy the said lines of railroad, expressed to be conveyed hereby, and subject or to be subject to the lien of these presents, with the equipments and appurtenances thereof, and the franchises appertaining thereto, and to take and use the rents, incomes, profits, tolls and

issues thereof, and to possess and use the said lands, in the same manner and with the same effect as if this deed had not been made.

Article Fourth.—In case default shall be made in the payment of any interest to accrue on any of the aforesaid bonds to be issued by The Saint Paul Minneapolis and Manitoba Railway Company, when such interest shall become payable, according to the tenor of such bond or the terms of any coupon thereto annexed, and such default shall continue for the period of six months; or in case default shall be made in the payment of the principal of any of said bonds; or in case default shall be made in the observance or performance of any other matter or thing, in these presents mentioned and agreed or required to be observed and performed by the party of the first part, its successors or assigns, and such default shall continue for the period of six months; then and from thenceforth, and in either of such cases, it shall be lawful for the said party of the second part, being the trustee under these presents, personally, or by its attorneys or agents, to enter into and upon all and singular the railroads and premises hereby conveyed or intended so to be, acquired and to be acquired, or any part thereof, and from thenceforth to have, hold, possess and use the said railroads and premises, and each and every part and parcel thereof, then subject to the lien of these presents, operating and conducting the business of the said railroads, by its superintendents, managers and servants, or other attorneys or agents, and making from time to time, all repairs and replacements, and such useful alterations, additions and improvements thereto, as may seem to it or them to be judicious, and to collect and receive all tolls, fares, freights, incomes, rents, issues and profits of the same, and of every part thereof; and after deducting the expenses of operating the said railroads and conducting the business thereof, and of all the said repairs, replacements, alterations, additions, and improvements, and all payments which may be made or may be due for taxes, assessments, charges or liens, prior to the lien of these presents upon the said premises, or any part thereof, as well as just compensation for its own services, and for the services of such attorneys and counsel and all other agents and persons as shall have been by it employed, the said trustee shall apply the moneys arising from such collections and receipts as aforesaid to the payment of interest on the said bonds, in the order in which such interest shall have become and shall become due, ratably to the persons entitled to such interest; and if, after paying in full the interest which shall have accrued on the said bonds, a surplus of the moneys arising as aforesaid shall remain, and the principal of said bonds shall not be due, nor such surplus or any part thereof required in the judgment of said trustee, for the protection of the property, or to provide for the instalment of interest next thereafter to fall due, the same shall be paid over to the said party of the first part; but in case the principal of said bonds, or any of them, shall have become due, the surplus arising as aforesaid shall be reserved, to be applied to the payment of said bonds, upon a sale of the said railroads and premises, as hereinafter provided.

Article Fifth.—In case default shall be made in payment of interest on

said bonds, or any of them, as aforesaid, and shall continue as aforesaid, or in case default shall be made in the payment of the principal or any part thereof of the said bonds, or any of them, it shall be lawful for the said trustee, after such entry as aforesaid or after other entry, or without entry, personally or by its attorneys or agents, to sell and dispose of the said railroads, and of all and singular the property, rights and franchises hereinbefore expressed to be conveyed, and which shall be then subject to the lien of these presents, at public auction in the City of New York in the State of New York, or in the City of Saint Paul in the State of Minnesota, as the said trustee shall determine, and at such time as it shall appoint, having first given notice of the time and place of such sale, by advertisement published not less than three times a week for six successive weeks, in one or more newspapers in the City of New York, in one or more newspapers in the City of Saint Paul, and in one or more newspapers at the Capital of Dakota Territory, or the State which may succeed it, and after such notice it shall be lawful for the said trustee to make such sale or to adjourn the said sale from time to time, in its discretion, and if so adjourning, to make the same, without further notice, at the time and place to which the same may be so adjourned, and to make and deliver to the purchaser or purchasers of the said railroads, lands and premises, or any part thereof, good and sufficient deed or deeds in the law for the same, in fee simple; which sale, made as aforesaid, shall be a perpetual bar, both in law and equity, against the said party of the first part, its successors and assigns, and all other persons claiming or to claim the said premises or any part or parcel thereof, by, from, through or under the said party of the first part, its successors or assigns. And after deducting from the proceeds of such sale just allowances for all expenses thereof, including attorneys' and counsel fees, and all other expenses, advances or liabilities, which may have been made or incurred by the said trustee in operating or maintaining the said railroads and premises, or in managing the business thereof, and all payments by it made for taxes or assessments, and for charges and liens prior to the lien of these presents on the said premises or any part thereof, as well as a reasonable compensation for its own services, it shall be lawful for the said trustee, and it shall be its duty, to apply the residue of the moneys arising from such sale to the payment of the principal and accrued and unpaid interest on all the said bonds which shall then be outstanding, without discrimination or preference as between principal and accrued and unpaid interest, or as between the holders of said bonds or of any coupons issued therewith, but equally and ratably to all such bond and coupon holders; and if, after the payment and satisfaction of said bonds, principal and interest, a surplus of the said proceeds shall remain, to pay such surplus to the party of the first part, its successors or assigns.

And it is hereby declared and agreed, that the receipt of the said trustee shall be a sufficient discharge to the purchaser or purchasers at such sale for his or their purchase money; and that after payment of such purchase mon-

ey, and having such receipt, the said purchaser or purchasers shall not be obliged to inquire into the application of such purchase money upon or for the trusts or purposes of these presents, or be in any manner whatsoever answerable for any loss, misapplication or non-application of such purchase money, or of any part thereof, or be obliged to inquire into the necessity, expediency or authority of or for any such sale.

Article Sixth.—At any public sale of the said railroads and property or any part thereof, whether made by virtue of the power hereinbefore granted or by judicial authority, the said trustee, upon the written request of the holders of a majority of the then outstanding bonds, and the surrender of such majority of said bonds for use at such sale, may bid for and purchase, or cause to be bid for and purchase, the property so sold, in behalf and for the use and benefit of all the holders of bonds secured by this instrument and then outstanding, in the proportion of the respective interests of such bondholders, at a reasonable price, if but a portion of said property shall be sold, and if the entire railroads and property shall be sold, then at a price not exceeding the whole amount of said bonds then outstanding, with the interest accrued thereon and the expenses of such sale. And in such case no holder of said bonds shall have any claim to the premises sold or to the proceeds of the sale except for his *pro rata* share in the purchased premises as represented by the stock of a new or reorganized company to be formed or organized by or for the use and benefit of all the holders of said bonds then outstanding and unpaid.

Article Seventh.—In case default shall be made in the payment of any half-yearly instalment of interest on any of the said bonds, when such interest shall become payable according to the tenor of said bond or of any coupon thereto annexed, and such instalment of interest shall remain unpaid and in arrear for a period of six months after the same shall have become payable as aforesaid, and been demanded, then and from thenceforth the principal sum of each of the bonds aforesaid shall, at the option of the trustee hereunder, become and be immediately due and payable, notwithstanding the time limited in the said bonds for the payment thereof may not then have elapsed; but a majority in interest of the holders of all the bonds aforesaid which shall be then outstanding, and upon which default in the payment of interest shall have been made and be continuing, shall have the power, by an instrument in writing under their hands and seals, or by a vote at a meeting duly convened and held as hereinafter provided, at any time before the actual payment and acceptance of the interest in arrear, to instruct the trustee to declare the said principal due, or to waive the right so to declare, on such terms and conditions as such majority in interest shall prescribe; and such majority in interest may, by such instrument in writing, or such vote, annul or reverse any declaration of the trustee in respect to said bonds becoming or not becoming immediately payable: *Provided always*, that no act or omission either of the trustee or of the bondholders in the premises, shall extend to or be taken in any manner whatsoever to affect any subsequent default, or the rights resulting therefrom.

Article Eighth.—It is hereby declared and agreed that it shall be the duty of the trustee to exercise the power of entry hereby granted, or the power of sale hereby granted, or both, or to proceed by suit or suits in equity, or at law, to enforce the rights of the bondholders in the several cases of default on the part of the party of the first part or its successors, herein specified, in the manner, and subject to the qualifications herein expressed, upon the requisition of bondholders as herein prescribed, as follows:

First. In case default shall be made in the payment of any semi-annual instalment of interest to accrue on any of the said bonds to be issued as herein provided, and such default shall continue as aforesaid, then and in every such case, upon a requisition in writing signed by the holder or holders of said bonds to an aggregate amount of not less than one-fifth of the amount of said bonds then outstanding, and adequate and proper indemnification of the said trustee against the cost, expenses and liabilities to be by it incurred, it shall be the duty of the trustee to proceed to enforce the rights of the bondholders under these presents by entry, sale, or suit or suits in equity or at law, as it being advised by counsel learned in the law, shall deem most expedient for the interest of the holders of said bonds—the rights of entry and sale hereinbefore granted being intended as cumulative remedies, additional to all other remedies allowed by law for the execution and enforcement of the trusts hereof; provided nevertheless, that it shall be lawful for a majority in interest of the holders of said bonds, for the time being, by an instrument under their hands and seals, or by a vote at a meeting duly convened and held as hereinafter provided, to direct the said trustee to waive such default upon such terms as may be directed by the said majority in said instrument, or by said vote. And it is hereby provided and expressly agreed, that no holder of bonds or coupons secured to be paid hereby shall have the right to institute any suit or proceeding for the foreclosure of this indenture, or the execution of the trusts thereof, except upon and after the refusal or neglect of the trustee hereunder to proceed to act in the premises, upon requisition and indemnification as aforesaid; but it shall nevertheless be lawful for a majority in interest of the holders of said bonds for the time being to direct the party or parties bringing any such suit or proceeding, to waive the default or defaults on which it is founded, in like manner as is hereinbefore provided for a direction to the trustee to waive default. And it is hereby further declared and provided that no action taken by the trustee or by the bondholders under this clause shall prejudice or in any manner affect the powers or rights of the said trustee or of the bondholders in the event of any subsequent default.

Second. If the party of the first part or its successors shall make default or breach in the performance or observance of any other condition, obligation or requirement by the said bonds, or by this present deed imposed on the party of the first part, or its successors, then and in such case, the trustee shall, upon a requisition in manner aforesaid, of not less than one-fifth in interest of the bondholders for the time being, and upon adequate and proper indemnification of said trustee against the cost, expense and liabilities to

be by it incurred, proceed to enforce the rights of the bondholders under these presents in the manner by the first clause of this article provided, subject to a power in such majority at any time to direct in manner aforesaid the said trustee to waive such default or breach, upon reparation therefor to the satisfaction of such majority being made. And it is hereby provided that no action taken by the said trustee, or by the bondholders, under this clause, shall prejudice or in any manner affect the powers or rights of the said trustee or of the bondholders in the event of any subsequent default or breach.

Article Ninth.—The trustee hereunder shall at all times during the continuance of the trust hereby created, have power and authority, to be exercised in its own discretion and not otherwise, to convey or release from the lien and operation of these presents, to any party who may be designated in writing by the party of the first part, its successors or assigns, to receive the same, any portion of the lands and premises covered hereby, at any time acquired or held by the party of the first part for use in connection with any of the said railroads, or the construction, maintenance or operation thereof, but which in the judgment of the said trustee shall be unnecessary to be longer retained for use in connection therewith—including the said timbered lands in the county of Todd, described in the said deed of conveyance from James J. Hill and wife to the party of the first part, when and as in the judgment of the trustee the same shall no longer be necessary to be retained, nor shall be especially valuable to the party of the first part, for a supply of wood or timber for the construction, repairing, replacing or operation of the lines of railroad covered hereby; and the proceeds of any such lands and premises, which shall not within a reasonable time be required to be invested in other lands for use in connection with said railroads, shall be paid over to said trustee to be applied as part of, and in the same manner, as the fund arising from the sales of the lands so granted by Congress as hereinafter provided; and the trustee shall also have power and authority to allow the said party of the first part, its successors or assigns, from time to time, to dispose of, in its or their discretion, such portions of the equipment, machinery and implements at any time acquired or held for the use of any of the said railroads, but which shall have become unfit or unnecessary for such use; and the proceeds of all such sales, which may not be reinvested in new equipment, machinery or implements for use upon or in connection with said railroads, shall be paid over to the said trustee, to be by it applied likewise as a part of and in the same manner as the fund arising from the sale of lands as hereinafter stated; *provided always*, and it is hereby expressly understood and agreed, that any and all lands and premises that shall be acquired for use in connection with said railroads in substitution for, or with the proceeds of, any so released or conveyed, as well as all new or other equipment, machinery and implements, which may be acquired with the proceeds of any so disposed of, shall by virtue and force hereof, become and be, immediately upon the acquisition of the same, subject to the lien and operation of these presents, without any new conveyance or transfer, or other

act or ceremony whatever; but any such lands and premises so acquired shall, nevertheless, be conveyed to the trustee upon the trusts hereof if the trustee shall so require.

Article Tenth.—The party of the first part hereby reserves the same right to compromise and settle with the Northern Pacific Railroad Company the controversy with respect to the said lands so in dispute between said Companies, and the same control over said lands and the title thereto for that purpose, and upon and with the same conditions and limitations, as are reserved and imposed in and by the Seventh Article of the said deed of trust or mortgage from the party of the first part to John S. Kennedy, John S. Barnes and James A. Roosevelt, trustees, bearing date the twenty-first day of June, 1879; and the trustee hereunder is hereby authorized to make and join in such and similar conveyances, releases and agreements as the trustees under said deed of trust or mortgage of June 21st, 1879, were in and by said Article authorized to make or join in.

Article Eleventh.—The net proceeds of any and all sales of the lands so granted by Congress as aforesaid to aid in the construction of said railroads, being by the terms and provisions of the said deed of trust of June 21st, A. D. 1879, pledged to the payment of the interest on the bonds by said deed of trust secured, and the redemption of the principal thereof, in the manner in said deed of trust mentioned; nothing in this instrument is intended nor shall be construed to abridge or impair in any degree the powers in and by said deed of trust conferred upon the trustee therein named or thereby reserved to the said party of the first part, with respect to the said lands or the management, control, sale or conveyance thereof; nor shall anything herein contained be construed to impose upon the trustee hereunder any responsibility whatever with respect to the said lands or the management, control, sale or conveyance thereof, until all the bonds of the issue secured by said deed of trust of June 21st, A. D. 1879, shall have been redeemed or retired, or the trustees under said deed of trust shall have in their hands a sufficient fund available for the purpose, to redeem the same in the manner in said deed of trust provided.

All payments which shall hereafter be made, as, or on account of, the purchase price of any of the said lands upon contracts under the authority, or subject to the trusts, of the said deed of trust of June 21st, 1879, and which shall not be required for the payment of the bonds secured to be paid by said deed of trust, shall go to the trustee hereunder to be held and applied by it to the same uses and in like manner in all respects as other moneys which may be received by it under the provisions of this Article; and when the said bonds secured by the said deed of trust of June 21st, 1879, shall have been redeemed or retired, or the trustees under said deed of trust shall have in their hands a sufficient fund available for the purpose, to redeem and discharge the same in the manner in said deed provided, the said party of the first part, its successors or assigns, shall and will, as soon as required or notified so to do by the trustee hereunder, carefully value and appraise, or

cause to be carefully valued and appraised, all that shall then remain to the said party of the first part, its successors or assigns, of the said lands, except such portions thereof as may be required for roadways, depots or other purposes connected with the operation of the railroads of said party of the first part, its successors or assigns, and except, also, such parcels as shall be and continue subject to then subsisting and valid contracts for the sale thereof, made in pursuance of the provisions in that behalf of the said deed of trust of June 21st, 1879, or recognized as subsisting in and by said deed of trust — in convenient sections, divisions, or parcels, for the sale thereof; and shall cause a full and accurate list and description of said remaining lands, containing, opposite each appraised section, division or parcel, the value put upon the same, to be deposited with said trustee, certified by said party of the first part; which appraisement shall be subject to the approval of said trustee, and such statement and appraisal may, with the consent of said trustee, be from time to time revised, altered and corrected, a statement being in each case filed as aforesaid; and the said party of the first part, its successors or assigns, may at any time in its or their own discretion, and not otherwise, contract for the sale of any section, division or parcel of said lands so appraised, at a price not less than the appraised value thereof, according to the last preceding statement of such value filed with the said trustee, and approved by it, as aforesaid, and shall be entitled to have such section, division or parcel of said lands released from the lien hereof, upon the payment to the said trustee, of the purchase money of the same, not less than such appraised value thereof.

And the said trustee is hereby authorized and empowered, and it shall be its duty upon any sale as aforesaid, of any parcel of said lands and the payment of the purchase money thereof as aforesaid, to release and convey to the purchaser or purchasers thereof, or to his or their heirs or assigns, by proper deeds of conveyance, the premises so sold, and thereby to discharge the same from the lien and operation of these presents and the trusts hereby created; and such deeds when executed shall invest the grantee or grantees therein named with the full and complete title of the premises thereby granted, free and clear of this and all subsequent incumbrances, and shall include as well the title of the said party of the first part, its successors or assigns, as of the said trustee: *provided always*, that no section, division, piece or parcel of said lands so appraised shall at any time be sold, released or conveyed as aforesaid, below the appraised value thereof, without the consent in writing of the trustee, first had and received to such sales; and *provided further*, that nothing in this article is intended, nor shall be construed, to contravene nor to limit or impair the operation or effect of the provisions of Article Tenth of this instrument; but all the foregoing provisions of this Article are intended, and hereby expressly declared, to be subject and subordinate to the provisions of said Article Tenth so far as they relate or apply, or might otherwise relate or apply to the lands embraced in the provisions of said Article Tenth, or to the proceeds any of such lands.

And it is hereby further declared and agreed, that any of the remaining lands aforesaid may be sold, as in this article above provided, wholly or partly on credit; *provided*, that in any and every case of sale wholly or partly on credit, and to whomsoever the sale may be made, the purchaser shall not receive a conveyance of the premises sold, or any part thereof, until payment in full of the purchase money; but may have delivered to him a contract in evidence of his purchase, unless for any special reason it shall be expedient, in the judgment of the said trustee, to accept from such purchaser a purchase-money bond and mortgage for the amount remaining unpaid; in which case the said trustee may release and convey the said premises to such purchaser upon receiving from him the cash portion of such purchase money and his personal bond for the unpaid purchase money, conditioned in double the amount of the said unpaid purchase money for the payment of the same, in instalments or otherwise, within a period of not exceeding five years from the date of such purchase, with interest thereon payable semi-annually, and a proper mortgage upon the premises so released and conveyed, to secure the payment of such bond.

And it is hereby expressly declared and agreed, that from and after the time of the satisfaction of the said deed of trust or mortgage of June 21st, 1879, by the payment or retirement of the bonds secured to be paid thereby, or when the trustees under said last mentioned deed of trust shall hold in their hands a sufficient fund, available for the purpose, to pay and discharge the interest as it shall accrue, and the principal at maturity, of all outstanding bonds secured thereby, any and all of the bonds issued or to be issued by the said party of the first part, as aforesaid, and the payment whereof is intended to be hereby secured, shall be payable and receivable, at the par value thereof, including the interest then accrued thereon, on account and in payment of the purchase money of any section, division or parcel of said lands, which shall be sold as aforesaid under and upon the trusts of this present deed, or which shall be due or payable upon any valid contract of sale of any division or parcel of said lands theretofore made under and upon, or which shall be subject to the trusts of said deed of trust of June 21st, 1879, and said bonds shall in such payment be deemed and accepted as equivalent in all respects, dollar for dollar, of the principal and accrued interest thereon, to the same nominal amount in cash; and the bonds so received in payment for lands shall be canceled and surrendered to said part of the first part, its successors or assigns.

Article Twelfth.—It is hereby declared and agreed, that for the purpose of granting and releasing from the lien of these presents such of the lands and premises aforesaid as shall or may be sold in conformity with the last preceding Article of these presents, or which shall be subject to any valid contract of sale as aforesaid, the said trustee may act, and is hereby authorized and empowered to act, by one or more special agents or attorneys; and all instruments executed and acts done by the agents or attorneys of said trustee, duly appointed for that purpose, in respect to the conveyance or

release of lands which shall be sold in conformity with said Article or shall be subject to any such valid and subsisting contract, shall be as valid and effectual to all intents and purposes, if the same be within the scope of authority of such agent or agents, as if the same were executed by the trustee appointing such agent or agents in person, or by an officer or officers thereof; *provided*, that every such power of attorney may be revoked by the trustee giving the same at pleasure, and *provided further*, that the trustees hereunder, if at any time there shall be more than one, may severally appoint an agent or attorney to act for them respectively, or they may unite on any one or more persons as such agent or agents.

Article Thirteenth.—The trustee shall be authorized to allow reasonable compensation to any agent or agents appointed by it as aforesaid, and to such clerks and assistants, if any, as it may deem necessary to employ, or as it may deem necessary or proper for the said company to employ, in regard to the sale of said lands, as in Article Eleventh provided, and the preparation of contracts and conveyances thereof; and it may from time to time allow to be deducted out of the proceeds of lands so sold an amount sufficient to defray such expenses, if in its judgment such expenses be reasonable and proper, and in just proportion to the benefit derived by this trust from sales of the said lands: *provided always*, that the holders of the bonds hereby secured shall not, nor shall the said trustee become or be in any manner whatever personally liable or responsible for, or in respect to, any such liabilities or expenditures.

Article Fourteenth.—The net proceeds of any and all sales of the lands referred to in Article Eleventh hereof, and all moneys that shall accrue to the said party of the first part from any disposition that may be made of the lands embraced in or affected by the provisions of Article Tenth hereof, subject only to the provisions of the said deed of trust of June 21st, 1879, are hereby inviolably pledged to the payment of the interest on the bonds hereby secured, and the redemption of the principal thereof, in the manner hereinafter mentioned; and the said trustee shall semi-annually apply the said net proceeds and moneys, and all other moneys which shall come to its hands as trustee under this instrument, and for the application of which no other provision is herein made, as a sinking fund, first, to the payment, at maturity, or as soon thereafter as practicable, of any instalment of interest on said bonds for which the said party of the first part shall have failed to make due provision; and secondly, to the purchase of bonds secured hereby at the lowest price or prices, at which the said bonds may be offered for sale to the said trustee. Preparatory to such purchase of bonds, in any semi-annual period, the said trustee may, if in its judgment the amount of bonds which the funds then in hand would purchase shall make it expedient to incur the expense, give public notice, by advertisement in two newspapers of good circulation published in the City of New York, at least three times a week for two successive weeks, of its desire to receive proposals for the sale to it of the said bonds, to such amount as the said funds in its hands may suffice

to purchase; and in such case, after the expiration of two weeks from the last publication of such notice, it shall apply the said funds to the purchase of said bonds, at the lowest price or prices at which they may be offered; *provided however*, that if the said bonds shall at the time being be quoted and have a known market value, and such market value shall be lower than any price at which the said bonds may be offered pursuant to the notice aforesaid, the said trustee may purchase the said bonds in open market instead of from parties sending proposals to sell pursuant to such advertisement; and if, after such notice, enough of the said bonds shall not be offered to it to practically exhaust the amount of such funds in its hands, it may and shall purchase in open market, or at private sale, for the lowest price for which the same can be obtained, bonds sufficient for the purpose aforesaid.

And it is hereby declared and agreed that all expenses attending such purchase of bonds, may be defrayed by the said trustee from the said sinking fund.

The trustee shall, without unreasonable delay, cancel the bonds so redeemed by it, and surrender the same to the said party of the first part, its successors or assigns; and it and the said party of the first part shall keep separate registries of all bonds so redeemed; and the registry of the Company, showing the numbers and amounts of the bonds so redeemed, shall be at all reasonable hours and times open to the inspection of the several holders of the bonds hereby secured, as well as of the said trustee, and the numbers and amounts of all bonds redeemed in each year shall be stated in the annual report, to be made by the Directors of the said Company for such year to the Stockholders thereof.

Any residue of the said fund which shall remain in the hands of the trustee, when the principal of said bonds shall become due and payable, shall be by it applied to the payment of such of said bonds as shall be then outstanding.

Article Fifteenth.—The said trustee shall, from and after the time the trusts hereof become active with respect to the lands so granted by Congress, keep a record of the lands which shall be by it released from the lien of these presents, and of the moneys and bonds (if any) received or taken on account of the purchase price of lands under the provisions hereof, and the disposition made thereof; and shall annually file in the principal office of the party of the first part a statement of the lands which shall be by it so released and of the moneys and bonds by it so received in the last preceding year, and the disposition made thereof; which statements shall at all reasonable hours and times be open to the inspection of the holders of the bonds hereby secured; and the party of the first part shall at all times keep at its said principal office a record of all sales of said lands made by it, and of the prices, and the times and manner of payment thereof, and of the amount paid thereon and of the numbers of the bonds (if any) surrendered on account of such payments, which record shall at all reasonable hours and times be open to the inspection of the trustee, with right of copy therefrom, and to the

holders of the bonds secured hereby; and the number of acres of lands contracted to be sold and the amount received from the sales of lands in each year and the numbers of the bonds (if any) so received and surrendered on account thereof, and the amount at which they shall have been so received shall be stated in the annual report of the Directors of the Company for such year, to the Stockholders thereof.

Article Sixteenth.—The bonds of the issue herein provided for so to be non-negotiable in form, and without interest coupons attached, as aforesaid, shall be transferable only on the books of the Company, and the said Company shall keep a transfer office or agency in the City of New York, and at such office or agency an appropriate book for the transfer of such bonds, and at the same place shall also keep another book for the registration of the holders thereof, denominated “Non-negotiable Bond Register,” and in it, when any such bond shall be issued, shall be entered the name and address of the party to whom it is issued and the number of the bond; and whenever a transfer of such bond is made, the fact of such transfer shall be entered upon the said register so as to show the name and address of the transferee and the number of the bond transferred; and such transfer shall be noted on the bond; but no such transfer shall be made, or shall be valid, except in writing on the said transfer book by the party registered as the owner, for the time being, or his legal representatives, or his or their agent or attorney, thereunto duly authorized.

All coupon-bonds of the issue to be secured by this deed of trust shall be payable to bearer, and be negotiable and pass by delivery, unless registered for the time being, in the name of the owner thereof in the manner hereinafter provided; and the said Company shall also keep at its said transfer office or agency in the City of New York, another separate register designated as the “Coupon-Bond Register,” in which every holder of a coupon-bond of said issue shall be entitled to have his name and address and the number of the bond held by him entered, upon presenting at the said office or agency a written statement of the said particulars, and verifying his title to such bond by the production thereof; and every such registration of ownership shall be properly certified on the bond. After such registration of ownership of any such bond so certified thereon, no transfer thereof shall be made or shall be valid except in writing, in a suitable transfer book to be kept by said Company at said office or agency for such transfers, by the party registered as the owner thereof for the time being, or his legal representatives, or his or their agent or attorney thereunto duly authorized, and the fact of every such transfer shall be entered upon the said last mentioned register so as to show the number of the bond transferred and the name and address of the transferee, unless any such transfer shall be to bearer, in which case it shall be so entered; and every such transfer shall be noted on the bond, and if the last transfer be to bearer it shall restore to it transferability by delivery; but every such coupon-bond shall be subject to successive registrations and transfers to bearer as aforesaid, at the option of each holder.

The said trustee shall have free access at all reasonable hours and times to such Bond Registries, and shall from time to time, on request in writing, be furnished with a copy thereof by said Company. Meetings of the bondholders under this deed of trust may be called in the manner hereinafter provided, or in such mode as may be fixed by regulations prescribed or established by the bondholders; and the bondholders may vote at such meetings in person or by proxy; and the quorum may be defined, and such other regulations or by-laws in respect to such meetings may be from time to time established, altered or repealed by the bondholders, acting by the majority in interest, as to them shall seem expedient; and until the bondholders shall act, such powers may be exercised by the trustee.

The said trustee shall have the right to require that any act or resolution of the said bondholders, affecting the duties of said trustee, shall be authenticated by the signatures of all the persons assenting thereto, as well as by a minute of the proceedings of the meeting.

Article Seventeenth.—It is mutually understood and agreed, by and between the parties to these presents, and it is hereby declared, that the words "trustee" and "said trustee" whenever used in this indenture so as to be applicable to the party of the second part hereto, are intended to refer to and describe, and the same shall in all cases be construed to mean, the corporation, person or persons, who for the time being shall be charged with the execution of the trusts of these presents, whether such corporation, person or persons be the said party of the second part, or any successor or successors of said party of the second part hereunder; and in case of a vacancy in said trust, the surviving or continuing trustee, if there be any, shall be competent to exercise any and all powers and authorities herein granted to the said party of the second part. And it is further mutually agreed and declared, that the said trustee, or any trustee hereunder, shall be entitled to reasonable compensation for any and all services which may hereafter be rendered by it in said trust, which compensation the said party of the first part hereby promises and agrees to pay; but in case the said party of the first part should make default in such payment, the same may be retained by the trustee out of any trust moneys coming into its hands, and such reasonable sum as shall be so retained, shall, unless the said trustee be then in possession of said premises, become and be a lien upon the said premises, and secured by the trusts of this indenture, to be paid by the said party of the first part, with interest, for the benefit of the sinking fund hereinbefore created.

And it is further mutually agreed, that the said trustee shall not, nor shall any trustee hereunder, be answerable for the default or misconduct of any agent or attorney by it appointed under or pursuant to these presents, if such agent or attorney be selected with reasonable care, nor for any error or mistake made by it in good faith, but only for personal misconduct or gross negligence in the execution of said trusts.

And it is further mutually agreed, that the said trustee, or any trustee hereunder, may resign the trust hereby created, and be discharged from all

further duty thereunder, upon giving three months' notice in writing to the said party of the first part, and calling a meeting of the bondholders, or upon such shorter notice as the said party of the first part, and a majority in interest of said bondholders may accept as sufficient; and also, that the said trustee or any trustee hereunder, may be removed from office by the vote of a majority in interest of the holders of the said bonds, the said vote being had at a meeting of the said bondholders duly held, and being attested by an instrument in writing, under the hands and seals of the persons so voting; and that in case, at any time hereafter, the said trustee, or any trustee hereafter appointed, shall die or resign, or be removed as herein provided, or by a court of competent jurisdiction, or shall become incapable or unfit to act in the said trust, a successor to such trustee, or in case the trust shall be wholly vacant, one or more successors may be appointed by the holders for the time being of a majority in interest of the said bonds then outstanding, at a meeting of said bondholders to be duly convened and held in conformity with the provisions of these presents.

And it is further mutually agreed and declared, that in case any trustee hereunder shall die or resign, or be removed as herein provided, or otherwise or become *non compos mentis* or otherwise legally incapable or unfit to act in said trust, all powers and authorities shall, if there be an associate trustee continuing in office, vest in such associate trustee, subject to the provisions of these presents, until the appointment of a successor to such trustee; and that upon the appointment of a successor to such trustee, such successor shall, by force of these presents, and without any further assurance or conveyance, become vested with, and entitled to exercise any and all powers and authorities, such trustee so dying, resigning, being removed or becoming *non compos mentis*, or otherwise legally incapable, or unfit to act in said trust, was vested with, or entitled to exercise at the time of his decease, resignation or removal, or of his becoming *non compos mentis* or legally incapable or unfit to act as such trustee; but nevertheless, in case of such resignation or removal, the trustee so resigning or being removed (and in case of the death of a trustee, the surviving trustee, if there be any) shall, if so required by a majority in interest of said bondholders, or by the new trustee who may be appointed, execute, acknowledge and deliver to such new trustee a good and sufficient deed, or other instrument, to vest in him all the powers and authorities which were possessed by his predecessor in said trust as aforesaid, under or by virtue of these presents; *provided nevertheless*, that in case it shall prove, after reasonable exertions, to be impracticable to appoint a trustee in the manner aforesaid, and that the appointment of such new trustee shall be inconveniently or unreasonably delayed, and that such vacancy in said trust shall continue for the period of ninety days after the existence of the same shall have been made known to any meeting of said bondholders, and to the said party of the first part, it shall be competent for any holder or holders of said bonds to the amount of not less than one-fifth part in interest of all such bonds then outstanding, to apply to any court of

competent jurisdiction for the appointment of a new trustee to fill such vacancy, upon such reasonable notice to the parties interested, including the surviving or continuing trustee, if there be any, as well as the said party of the first part, as the said court may prescribe; and any trustee lawfully appointed upon such application, shall become vested with the same powers and authorities as if appointed by the said bondholders, in the manner aforesaid.

Article Eighteenth.—And it is hereby further expressly declared and agreed, that whenever and as often as any contingency shall arise, in which the action of a majority in interest of the holders of the bonds secured hereby shall be necessary, or in which the said bondholders are herein declared to have any discretionary voice or power, it shall be the duty of the trustee hereunder, and such trustee shall be and is hereby authorized and required to call a meeting of all the holders of bonds secured hereby, to be held in the City of New York, by advertisement (the expense whereof shall be a liability of said party of the first part hereunder, and may be defrayed if necessary from the trust fund) to be published three times in each week for six weeks, in at least two newspapers of good circulation among the business community in said City, or the said meeting may be called in such other manner as may be prescribed for the convening of meetings of said bondholders, pursuant to the provisions of this instrument; and in default of such meeting being called by the trustee within thirty days after notification in writing by any bondholder, of the necessity therefor, or in case the trust shall be wholly vacant, it shall be competent for any holder or holders of said bonds, to the aggregate amount of five hundred thousand dollars, to call said meeting in the manner aforesaid; and at such meeting so convened, the holders of said bonds shall be competent to exercise in person, or by proxy, all the powers and authorities conferred upon them by these presents; *provided*, that until otherwise provided, pursuant to the provisions of this instrument in that behalf, a majority in interest of the outstanding bonds for the time being shall be required to constitute a quorum at any such meeting.

Article Nineteenth.—If the said party of the first part, its successors or assigns, shall well and truly pay the principal of each and every of said bonds secured by this instrument, when the same shall become payable, and all interest thereon, as such interest shall from time to time mature, according to the tenor of such bonds respectively, and shall well and truly do and observe every other matter and thing provided or mentioned in these presents, to be by it or them done and observed, then and in that case, all the estate, right, title and interest of the said party of the second part, and of its successor and successors in the trust by these presents created, shall cease, determine, and become void; otherwise the same shall remain in full force and virtue.

And the said party of the first part, for itself, its successors and assigns, in consideration of the premises, and of one dollar to it duly paid by the said party of the second part, the receipt whereof is hereby acknowledged, hereby covenants and agrees to and with the said party of the second part, and

its successors in the trust created by these presents, that whenever and as often as the said part of the first part, its successors or assigns, shall hereafter acquire any lands from the Government of the United States, or from the State of Minnesota, by reason of the construction of said lines of railroad from Saint Paul by the way of St. Anthony and Anoka to Watab, and from St. Anthony (now East Minneapolis) to Breckinridge and the western line of the said State, and from East St. Cloud to St. Vincent and the International Line, or any part thereof, or shall hereafter acquire any additional railroads, or lines of railroad, in the State of Minnesota or Territory of Dakota or any other property, rights, franchises or things whatsoever pertaining to, or for use upon the said railroads hereinbefore mentioned, acquired or to be acquired, or any part of any of such railroads, or shall hereafter acquire any other property, rights, franchises or things whatsoever, pertaining to or for use upon the railroads hereinbefore expressed to be granted, or upon any part thereof, the said party of the first part, its successors and assigns, shall and will acquire, possess and hold the same, and every part and parcel thereof, upon and subject to the trusts of this indenture, until conveyance thereof, in pursuance of the covenants herein contained, shall be duly made and delivered to the said party of the second part, its successor or successors in the trust by these presents created.

And the said party of the first part, for itself, its successors and assigns, hereby covenants and agrees to and with the said party of the second part, and its successors in the trust created by these presents, that the bonds hereby secured or intended so to be, shall be issued only at such times, and in such amounts as hereinbefore limited; that the said party of the first part, its successors and assigns, shall and will, in each and every year ensuing the date hereof, faithfully use and apply the net earnings and income to be from time to time derived from said railroads, or any of them (after discharging its obligations upon or with respect to prior liens thereon), or so much of such net earnings and income as may be necessary for that purpose, to the payment of the interest accruing in such year, on said bonds, when the same shall become due, until all the said bonds shall be fully paid and satisfied; that the said party of the first part, its successors and assigns, shall and will seasonably in each and every year pay and discharge all taxes and assessments of every sort and description which may be lawfully imposed, levied or assessed upon all or any part of the franchises or other property herein and hereby conveyed, or intended or contemplated so to be, so as to keep the mortgaged premises free and clear from any incumbrance by reason thereof; and that the said party of the first part, its successors and assigns, shall and will, from time to time, and at all times hereafter, and as often as thereunto requested by the trustee under this indenture, execute, deliver and acknowledge all such further deeds, conveyances and assurances in the law, for the better assuring unto such trustee, upon the trusts herein expressed, the railroads aforesaid, acquired and to be acquired, together with their equipments, appurtenances and franchises, and all and singular the lands, property and

things hereinbefore mentioned or described, acquired and to be acquired and granted or conveyed, or agreed or intended or contemplated to be granted or conveyed, to the said party of the second part, or its successors in the trusts created by these presents, as by the said party of the second part or its successor or successors in the trust hereby created, or by its counsel learned in the law, shall be reasonably advised, devised or required.

IN WITNESS WHEREOF, the said party of the first part has caused its corporate seal to be hereunto affixed, and these presents to be signed by its President and Secretary; and the said party of the second part, to evidence its acceptance of the said trust, has likewise caused its corporate seal to be hereunto affixed, and these presents to be signed by its President and Secretary the day and year first above written.

CORPORATE SEAL OF THE SAINT
PAUL MINNEAPOLIS AND
MANITOBA RAILWAY COMPANY.

EXECUTED by The Saint Paul Minneapolis and Manitoba Railway Company in presence of
GREENLEAF CLARK,
A. H. BODE.

JAMES J. HILL,
President of The Saint Paul Minneapolis and Manitoba Railway Company.
EDWD. SAWYER,
Secretary of The Saint Paul Minneapolis and Manitoba Railway Company.

CORPORATE SEAL OF THE
CENTRAL TRUST COMPANY
OF NEW YORK.

EXECUTED by the Central Trust Company of New York, in presence of

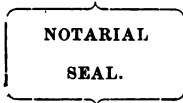
J. N. WALLACE,
G. S. ELLIS.

F. P. OLCOTT,
Vice President of the Central Trust Company of New York.
C. H. P. BABCOCK,
Secretary of the Central Trust Company of New York.

STATE OF MINNESOTA, }
COUNTY OF RAMSEY. } ss.

On this fourth day of May, A. D. 1883, before me, a Notary Public in and for said County and State, personally came James J. Hill and Edward Sawyer, both to me personally known, and they being by me duly sworn, did each depose and say that the said James J. Hill is the President and the said Edward Sawyer is the Secretary, of The Saint Paul Minneapolis and Manitoba Railway Company, the corporation described in the foregoing instrument as the party of the first part thereto; that the seal affixed to said instrument as the corporate seal of said Company is such corporate seal, and was affixed thereto by authority of said Company, and its Board of Directors, and that they respectively subscribed the said instrument, the former as President and the latter as Secretary of said Company, by like authority. And the said James J. Hill, President, and Edward Sawyer, Secretary, as aforesaid, to me well known to be such President and Secretary, acknowledged the execution of the said instrument as the free act and deed of said Company, and that said corporation executed the same.

IN TESTIMONY WHEREOF I have hereunto subscribed my name, and affixed my Notarial Seal, the day and year above in this certificate written.

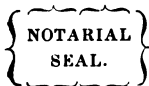


JOSEPH KLING,
Notary Public,
Ramsey County,
Minnesota.

STATE OF NEW YORK, }
 CITY AND COUNTY OF NEW YORK. } ss.

On this ninth day of May, A. D. 1883, before me, a Notary Public in and for said City, County and State, residing in said City, personally came F. P. Olcott and C. H. P. Babcock, both to me personally known, and they being by me duly sworn, did each depose and say that the said F. P. Olcott is the Vice President, and the said C. H. P. Babcock is the Secretary of the Central Trust Company of New York, the corporation described in the foregoing instrument as the party of the second part thereto; that the seal affixed to the said instrument as the corporate seal of said Company, is such corporate seal, and was affixed thereto by authority of said Company, and its Board of Directors, and that they respectively subscribed the said instrument, the former as Vice President, and the latter as Secretary, of said Company, by like authority. And the said F. P. Olcott, Vice President, and C. H. P. Babcock, Secretary, as aforesaid, to me well known to be such Vice President and Secretary, acknowledged the execution of the said instrument as the free act and deed of said Company and that said Company executed the same, for the uses and purposes therein expressed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name, and affixed my Notarial Seal, the day and year above in this certificate written.

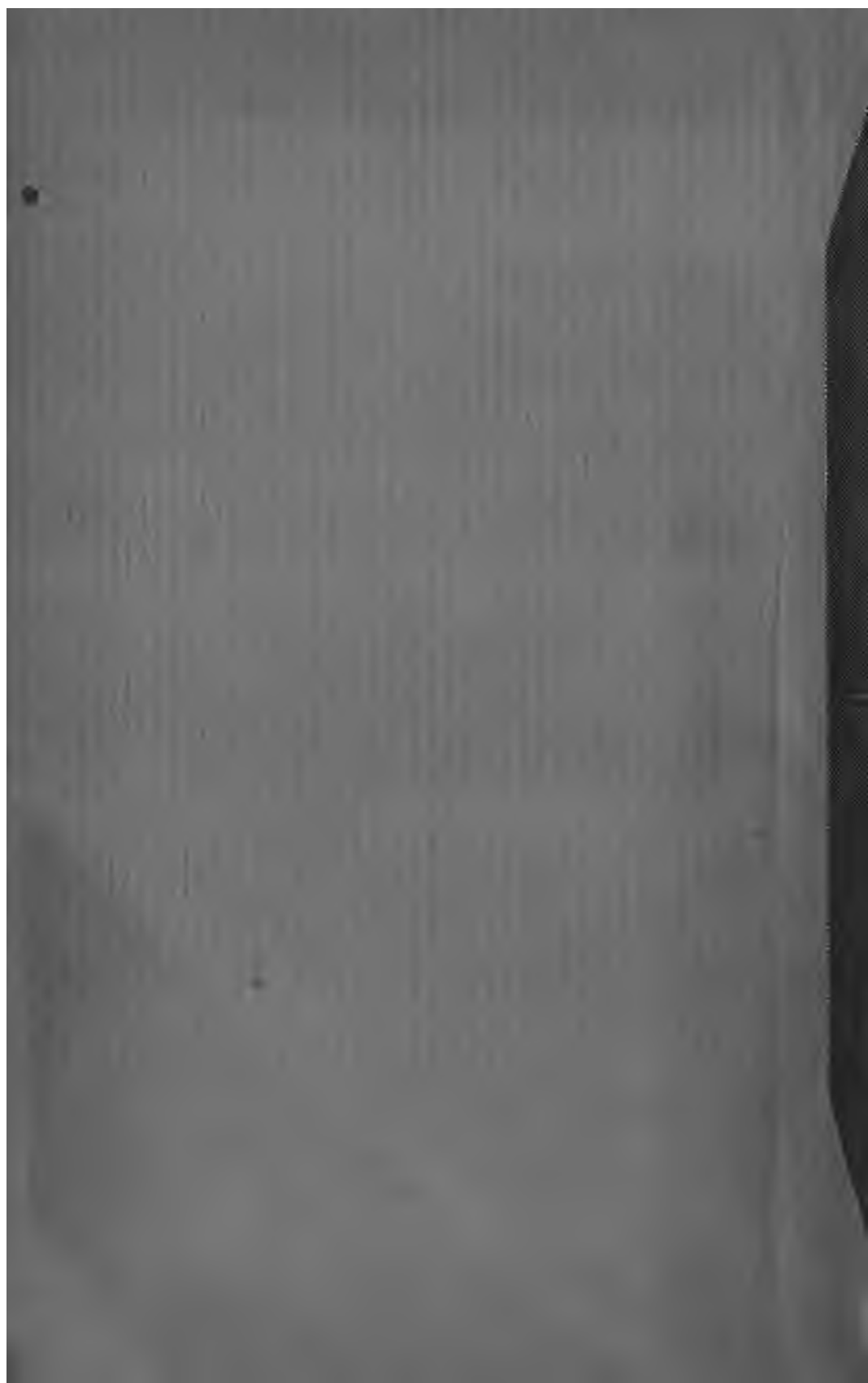


MARVIN INGRAHAM,

NOTARY PUBLIC (No. 4,)

City, County and State of N. Y.





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		of New York.	

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